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Poultry Programs

Market News and Analysis Branch

Korea Poultry Situation

Strong domestic prices during 2004 and 2005 led to record level broiler production for a third straight year. Farm gate prices during those two years averaged 1,400 won per kilogram (about \$1.40), up by more than 50%. Korea has a current oversupply of broilers and production for 2008 is forecast to decrease slightly due to the current supply situation and high international feed grain prices.

Broiler Meat in thousand metric tons

	2006	2007 estimate	2008 forecast
Production	481	512	502
Imports	76	61	61
Exports	3	5	5
Human Consumption	554	568	557

About 80% of total imports are frozen broiler legs and wings, while the remainder is heat-treated meat. The U.S. and Brazil are the two primary suppliers of broiler cuts and China is the largest supplier of heat-treated meat. The 2007 import estimate was revised downward from 70,000 MT to 61,000 MT in part due to an excess of domestically produced broiler meat and high U.S. broiler meat prices.

Brazilian product entered the Korean market in early 2005 and now has a 35% market share. Korea's domestic industry prefers Brazilian deboned leg meat, which requires less processing than bone-in leg meat from the U.S. There are currently 8 Brazilian establishments approved for export to Korea and two more are awaiting approval.

January – July 20, 2007 Frozen Chicken Imports Based On

Quarantine Inspection Basis in metric tons

	Breast	Wings	Legs	Whole
U.S.	0	146.24	7,599.42	13.76
Brazil	170.77	3,472.47	6,473.00	24.01
Denmark		933.72	20.50	

Source: National Veterinary Research & Quarantine Service

Korean broiler exports consist of about 80% frozen wings and 20% heat-treated processed products, such as the traditional chicken soup known as "Samgytan." Exports could climb slightly after Korea becomes eligible to export heat-treated processed poultry products to the United States. According to domestic industry sources, the U.S. market could be twice as large as the Japanese market, with exports reaching upwards of 1,200 MT.

Korea: Chicken Meat Exports, in metric tons and US \$1,000

	2005		2006		2006 Jan-Jun		2007 Jan-Jun	
	MT	\$	MT	\$	MT	\$	MT	\$
H. Kong	1,248	1,441	1,444	1,690	770	868	65	111
Japan	998	3,656	957	3,337	462	1,666	270	1,122
Taiwan	78	316	278	1,120	87	353	117	472
Vietnam	24	21	21	23	0	0	2,140	2,035
Others	130	398	154	424	94	292	114	252
Total	2,478	5,832	2,854	6,594	1,413	3,179	2,706	3,992

Source: Korea Customs Service

Source: USDA/FAS Attaché Report, no official USDA data

Japanese Powdered Egg Imports (In Tons)

	Powdered Whole Eggs	Powdered Yolks	Powdered Albumen	Total
2006				
January	302.8	311.8	661.5	1,276.1
February	396.4	135.7	867.1	1,399.2
March	408.9	239.2	397.7	1,045.8
April	258.0	206.6	716.7	1,181.3
May	354.7	120.1	902.4	1,377.2
June	324.0	216.4	538.2	1,078.6
July	468.7	209.5	898.2	1,576.4
To-Date	2,513.5	1,439.3	4,981.8	8,934.6
2007				
January	478.7	243.7	928.6	1,651.0
February	388.3	187.0	638.4	1,213.7
March	283.5	170.5	537.8	991.8
April	224.6	222.0	881.7	1,328.3
May	397.6	188.8	651.0	1,237.4
June	213.4	189.2	865.0	1,267.6
July	174.4	164.7	755.8	1,094.9
To-Date	2,160.5	1,365.9	5,258.3	8,784.7

Japanese Frozen Egg Imports (In Tons)

	Frozen Whole Eggs	Frozen Yolks	Frozen Albumen	Total
2006				
January	272.9	824.3	108.9	1,206.1
February	185.6	763.7	81.2	1,030.5
March	260.0	928.4	42.0	1,230.4
April	215.0	1100.9	-	1,315.9
May	304.7	1107.6	-	1,412.3
June	240.6	1152.5	21.0	1,414.1
July	282.8	458.9	21.0	762.7
To date	1,761.6	6,336.3	274.1	8,372.0
2007				
January	163.0	303.6	259.7	726.3
February	137.7	447.1	277.9	862.7
March	32.3	329.1	42.0	403.4
April	72.0	383.5	-	455.5
May	107.1	519.0	-	626.1
June	190.7	515.0	-	705.7
July	213.5	265.7	-	479.2
To date	916.3	2763.0	579.6	4258.9

Japanese Imports, Frozen Broilers (In Tons)

	U.S.	China	Brazil	Thailand	Others	Total
2006						
January	2,517	7	40,253			42,777
February	1,564	8	32,203		407	34,184
March	1,777	12	26,836		683	29,309
April	2,437	63	26,737		411	29,654
May	2,745	77	36,249		687	39,759
June	3,460	52	35,184		446	39,143
July	2,253	60	29,762		398	32,473
Total	16,753	279	227,224		3,032	247,299
2007						
January	1,937	27	32,378		211	34,553
February	1,817	13	18,768		180	20,778
March	1,561		-		269	1,561
April	1,305	16			244	1,321
May	1,740	99	33,230		269	35,338
June	1,641	7	23,499		275	25,422
July	2,031	18	29,376		396	31,821
Total	12,032	180	137,251		0	150,794

Source: Ministry of Finance "Japan Exports and Imports" ALIC Monthly Statistics

INSPECTED EGG PRODUCTS-**U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending October 06, 2007		Year-To-Date		
Type	2007	2006 /1	2007 /2	2006
Liquid	0	450	2,867	8,569
Frozen	0	0	69	172
Dried	40	41	529	532
Total	40	491	3,465	9,273

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending October 06, 2007		Year-To-Date		
Type	2007	2006 /1	2007 /2	2006
Liquid	129	45	12,502	3,018
Frozen	0	10	276	880
Dried	0	0	739	66
Total	129	55	13,517	3,964

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending October 06, 2007		Year-To-Date		
	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	2,750	900	41,989	70,791
Large	4,980	3,388	67,855	135,814
Medium	2,220	1,260	46,469	69,672
Ungraded	9,888	23,640	95,426	154,358
Misc	744	0	7,849	6,975
Total	20,582	29,188	259,588	437,760

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s)

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA AMS Poultry Programs, Market News & Analysis

U.S./Canadian Live Poultry Slaughtered Under Inspection

Week Ending October 06, 2007 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,205	1,598	2,803
Last Week	1,050	1,546	2,596
Same week yr ago	952	1,672	2,624
To-date/2007	44,155	58,239	102,394
To-date/2006	43,743	59,346	103,089

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	249	10	259
Last Week	290	0	290
Same week yr ago	140	4	144
To-date/2007	10,366	36	10,402
To-date/2006	6,289	34	6,323

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,454	1,608	3,062
Last Week	1,340	1,546	2,886
Same week yr ago	1,092	1,676	2,768
To-date/2007	54,521	58,275	112,796
To-date/2006	50,032	59,380	109,412

Source: USDA AMS Poultry Programs, Market News & Analysis Branch

On January 4, 2008 - The Central and Eastern Region MSC reports will be combined into the new National Mechanically Separated Chicken report and will no longer be available as a separate report. Until then, the new National MSC report will run concurrently and may be viewed at: <http://www.ams.usda.gov/poultry/mncs/PDF%20Reports/MSC/msc.htm>

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

FOB SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

October 12, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		----- VOLUME -----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00	40,800	-
WTD AVERAGE		16.00		
15-20%				
RANGE	15.50-20.00	11.00-17.00	2,376,400	1,381,600
WTD AVERAGE	17.77	12.27		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

FOB SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

October 12, 2007

CHICKEN WITH SKIN ADDED

FAT CONTENT	---- PRICES ----		----- VOLUME -----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.00	15.00-16.00	500,800	260,800
WTD AVERAGE	18.00	15.67		
15-20%				
RANGE	16.00-21.00	11.00-16.00	1,475,600	915,600
WTD AVERAGE	18.75	13.61		
20% OR MORE				
RANGE	-	14.00	80,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 12 OCTOBER 2007.

The trade sentiment on parts was steady. Trading and demand noted as light to moderate for all parts items. Offers adequate for current needs. Fresh tom breast meat undertone remains weak. Offerings of fresh tom breast meat adequate to available for the fair seasonal demand.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, OCTOBER 12, 2007	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	57.50	54	57.50	54
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	58.00		58.00	432	58.00	432
TAILS	25.00		25.00	54	25.81	74
MECHANICALLY SEPARATED 2/		R	19.43	188	19.43	188
THIGH MEAT - FROZEN		F	89.00	160		

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, OCTOBER 11, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	57.50		57.50	54
WINGS FULL-CUT - TOMS		R	48.86	148
WINGS, V-TYPE, TOM		F	59.00	324
TAILS		T	28.00	20
MECHANICALLY SEPARATED 2/	19.00-20.00		19.43	188
THIGH MEAT - FROZEN		F	89.00	160

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, OCTOBER 10, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	60.00	40
WINGS FULL-CUT - TOMS		R	48.86	148
WINGS, V-TYPE, TOM		F	59.00	324
TAILS		T	28.00	20
MECHANICALLY SEPARATED 2/		F	19.00	40
THIGH MEAT - FROZEN		F	89.00	160

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, OCTOBER 09, 2007	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	60.00	40
WINGS FULL-CUT - TOMS		R	48.86	148
WINGS, V-TYPE, TOM		F	59.00	324
TAILS	28.00		28.00	20
MECHANICALLY SEPARATED 2/		F	19.00	40
THIGH MEAT - FROZEN		F	89.00	160

~ NO EXPORT TRADING REPORTED ON MONDAY, OCTOBER 08, 2007 ~
DUE TO COLUMBUS DAY HOLIDAY

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15/20% fat with skin added.